



Property Casualty Insurers  
Association of America

Shaping the Future of American Insurance

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## STATEMENT

### PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

#### H.B. No. 5231 – AN ACT CONCERNING AUTOMOTIVE GLASS WORK.

#### COMMITTEE ON INSURANCE AND REAL ESTATE

February 28, 2012

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 5231, which would require numerous disclosures to be provided relative to choice of auto body and glass shop. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI member companies provide 52 percent of Connecticut's auto insurance coverage.

This bill would impose onerous and repetitive disclosure requirements on insurance companies, agents, adjusters and third party administrators and would have a negative impact on their ability to promptly serve Connecticut customers. PCI would submit that these disclosures are unnecessary and will not benefit the consumer. On the contrary, they will delay repairs and may actually confuse and/or mislead consumers.

Insurers want their policyholders to be satisfied with repairs to their vehicles and, accordingly, support the insured's ability to choose the repair or glass shop which will make such repairs. In order to ensure that policyholders are able to make informed choices, insurers must have the ability to provide their policyholders with truthful, nondeceptive information about repair options so as to ensure that their policyholders have the information which they need to make decisions regarding the repair of their vehicles. Requiring numerous, repetitive disclosures about the ability to choose a repair or glass shop, however, is grossly unnecessary.

In addition to requiring glass repairs to be added to the current written notice requirement included on insurance cards, estimates and appraisals, this bill would require numerous parties involved in insurance sales and claims handling to provide this notice, orally or in written form, in any communication with an insured. This would mean that every time an agent called a client or an insured called an insurer to ask a question or check on the status of their claim, this notice would be required to be provided. This notice would even be required to be provided with each communication after the insured has made a choice of repair or glass shop. Obviously, this would be confusing and even potentially annoying to the insured and would, in addition, pose a significant administrative burden for insurers, agents, adjusters, and third party administrators.

This bill would also require insurers, agents, adjusters and third party claims administrators to provide the insured with the names and contact information of five licensed repair or glass shops if the insured does not specify a preference for a repair or glass shop. The five shops would be

required to be within a 30 mile radius of the insured's residence or, if five such shops do not exist within that radius, the insurer would be required to provide information for the shops that are located within a 30 mile radius. This mandate would require insurers to ascertain the distance of shops from a unique location on every claim. Adjusters would be forced to refer to maps and measurements and then call consumers back with distance information. Consumers who desire to do so would no longer be able to promptly and efficiently schedule repair appointments online or during an initial claim call. Also, insurers who find themselves in need of repairs while traveling would be provided with useless and irrelevant information tied to their place of residence. It should also be noted that the listing of repair shops is required to include only licensed facilities. It is unclear how insurers are supposed to know the licensing status of numerous auto body and glass shops within a five miles radius of the residences of their policyholders. Obviously, this requirement would pose major compliance difficulties for insurers. Finally, insurers would have no way to know when a shop goes out of business or loses their license, so they may be put in the position of unintentionally frustrating their policyholders by giving information about a shop which is no longer operating or is unlicensed.

Not only would this requirement be highly burdensome, but it may also be misleading to the insured who might believe that the insurance professional was recommending the listed shops, rather than simply providing such names at random. Additionally, consumers may mistakenly believe that the insurer would guarantee the repairs performed at the shops on the list provided by the insurer. Information relative to repair and glass shops is readily available to consumers through the yellow pages or the internet and requiring insurers, agents and others to provide this information is simply unnecessary and potentially misleading.

For the foregoing reasons, PCI urges your Committee to not favorably advance HB 5231.